not only in the hair styling and beauty industry but also by virtually all English-speaking persons in their references to hair styling and beauty products and to the results of the use of hair styling and beauty products, plaintiff's rights in the word "Style," and variations thereof are necessarily narrow and weak and are limited to the specific use on plaintiff's particular products and to plaintiff's particular form of display of said word.

22. As a result of the aforesaid descriptive significances, connotations, meanings, and nature of the word "style" and derivatives thereof as used for and in connection with hair styling and beauty products, plaintiff may not pre-empt or monopolize all manner of use of the word "style" and variations thereof and may not exclude the use by defendants of the word "style" as a part of the unitary phrase, "Blondes American Style."

II.

For their second separate and complete affirmative defense, defendants aver that:

23. Defendants' use and display of the unitary phrase, "Blondes American Style," does not resemble in appearance plaintiff's use and stylized display of the word "Style" and derivatives thereof.

24. Defendants' use of the unitary phrase, "Blondes American Style," does not resemble in sound plaintiff's use of the word "Style" and derivatives thereof.

25. Defendants' use and display of the unitary phrase, "Blondes American Style," for a hair coloring product connotes a result of use that is in the American manner, way or character, whereas plaintiff's use and display of the word "Style" and derivatives thereof respecting hair styling products connotes fashionable mode and elegance.

26. Defendants' use and display of the unitary phrase, "Blondes American Style," does not resemble in connotation or meaning plaintiff's use and display of the word "Style" and derivatives thereof.

27. Defendants' hair coloring products sold under the unitary phrase, "Blondes American Style," are different from and are not competitive with defendants' hair styling and beauty products sold under the word "Style" and derivatives thereof.

28. As a result of the aforesaid differences in the appearance, sound and meaning and the aforesaid differences in goods, there is no likelihood of confusion, mistake or deception in the concurrent use of "Style" as used by plaintiff and "Blondes American Style" as used by defendants.

III.

For their third separate and complete affirmative defense, defendants aver that:

29. Plaintiff, upon information and belief, has attempted to monopolize the hair style and beauty market in the United States by making excessive, unfounded and reckless complaints, demands and threats of litigation respecting the word "style," and derivations thereof, for and in connection with the advertising and marketing of hair styling and beauty products and respecting plaintiff's federal trademark registrations; and plaintiff's said acts against defendants and others violate the antitrust laws of the United States and the laws of the states in which plaintiff markets.

30. Plaintiff, upon information and belief, has conspired with its distributors, jobbers and others to prevent the lawful use of the word "style" to describe the nature, quality or character of hair styling and beauty products or the results to be obtained from the use of said products; and said conspiracy is in restraint of trade in violation of the antitrust laws of the United States and the laws of the states in which plaintiff markets.

31. Upon information and belief, plaintiff's aforesaid excessive, unfounded and reckless complaints, demands and threats of litigation and the aforesaid conspiracy have been and are being committed with the intent and for the purpose of monopolizing

and unreasonably restraining the trade and commerce in hair styling and beauty products among the several states; and plaintiff has not committed said acts in good faith as a result of any actual or threatened trade deception, confusion as to source, or loss of good will.

32. Plaintiff, by its aforesaid acts, seeks to forestall defendants and others in their lawful use of the word "style" in their normal and proper promotion and sale of hair styling and beauty products in the United States; and plaintiff's said acts constitute a misuse of plaintiff's federal trademark registrations which plaintiff employs as one of its means of effectuating its aforesaid monopolization and unreasonable restraint in violation of the antitrust laws.

33. As a result of plaintiff's aforesaid acts, plaintiff is guilty of unclean hands and is estopped from mantaining this action.

WHEREFORE, defendants pray that the Complaint be dismissed, that pursuant to the provisions of 15 U. S. C. 1119 and 15 U. S. C. 1115b(7) the Commissioner of Patents be ordered and directed to rectify the Register by cancelling therefrom plaintiff's Registration Nos. 883,902 (Style) and 802,850 (Stylist), and by requiring that the word "Style" in Registration Nos. 890,607 (Mr. Style), 852,435 (Teen Style), and 831,583 (Style Bright) be disclaimed apart from the marks as shown in said registrations, and that defendants be awarded their costs, disbursements and reasonable attorneys' fees herein, and such other relief as the court may deem just.

AMENDED COUNTERCLAIM

As a first cause of action, Alberto-Culver Company alleges:

1. Counterclaimant, Alberto-Culver Company, is a corporation incorporated under the laws of Delaware, with its principal place of business in Melrose Park, Illinois, and is a citizen of Delaware.

2. Counterdefendant, La Maur, Inc., is a corporation incorporated under the laws of Minnesota, with its principal place of business in Fridley, Minnesota, and is a citizen of Minnesota.

3. This court has jurisdiction in that this is a civil action arising between citizens of different states wherein the amount in controversy exceeds the sum or value of Ten Thousand Dollars ($10,000) exclusive of interest and costs and in that this action arises under the Trademark Laws of the United States, Title 15 U. S. C. 1051-1127, and in that this is a compulsory Counterclaim in accordance with Rule 13(a) of the Federal Rules of Civil Procedure.

4. Counterclaimant is and for many years has been engaged in manufacturing a variety of cosmetic, hair styling, beauty and other products and, since at least as early as September 29, 1969, has manufactured and sold a hair coloring product known as "Blondes American Style" and has advertised and sold said product throughout the United States.

5. Counterclaimant has sold many millions of dollars worth of its "Blondes American Style" hair coloring product and has spent many millions of dollars in advertising and promoting said products.

6. Counterdefendant has used the word "Style" and variations thereof, including "Mr. Style," "Teen Style," "Style Bright," and "Stylist," as alleged trademarks for hair styling and related products and has registered said words as trademarks in the United States Patent Office under Registration Nos. 753,442; 774,262; 883,902; 890,607; 852,435; 831,583; and 802,850.

7. Since long prior to any use of the word "Style" and variations thereof by counterdefendant, the word "style" and derivatives thereof have been and now are widely and commonly used English words having a variety of laudatory and other descriptive meanings and shades of meanings which now are and long have been descriptive of the nature, quality and character of counterdefendant's hair styling and related products and of

the results to be obtained from the use thereof and which are and long have been apt and appropriate and widely and commonly used words by the hair styling products industry and by the beauty industry generally as well as by virtually all English-speaking persons in making ordinary reference to and in communicating respecting hair styling and related products and results of the use of said products.

8. Since long prior to any use by counterdefendant, many, if not most, business concerns and English-speaking persons including counterdefendant have described and communicated and made laudatory and other references to the nature, quality, character, use, effect, and results of the use of hair styling and related products by employing the word "style" and variations thereof.

9. As a result of the aforesaid descriptive and laudatory connotations, meanings, significance and use of the word "style" and derivatives thereof for and in connection with hair styling and related products, counterdefendant is not entitled to monopolize use of the word "style" and derivatives thereof and exclude the use by defendant of the word "style" as a part of the unitary phrase "Blondes American Style."

10. Counterdefendant's aforesaid registrations are invalid because the marks specified therein are laudatory and descriptive of the nature, quality, character and results of use of the goods specified in said registrations, and accordingly Registration Nos. 883,902 (Style), and 802,850 (Stylist) should be cancelled, and Registration Nos. 890,607 (Mr. Style); 852,435 (Teen Style); and 831,583 (Style Bright) should be amended and corrected so as to disclaim the word "Style" apart from the marks as shown in said registrations, pursuant to the provisions of the United States Trademark Statutes, 15 U. S. C. 1119.

11. Counterclaimant is damaged by the continued existence of counterdefendants' aforesaid registrations on the Principal Register of the United States Patent Office for the reasons

aforesaid and in that counterdefendant is relying on said registrations in support of its allegations against counterclaimant herein and in that the existence of said registrations constitutes and casts a cloud upon counterclaimant's rights in its unitary phrase trademark, "Blondes American Style."

WHEREFORE, defendant-counterclaimant, Alberto-Culver Company, prays, in accordance with the provisions of 15 U. S. C. 1119, that:

1. The United States Commissioner of Patents be ordered and directed to recitfy the Register by cancelling counterdefendant's trademark Registration Nos. 883,902 (Style) and 802,850 (Stylist) and by amending and correcting trademark Registration Nos. 890,607 (Mr. Style), 852,435 (Teen Style) and 831,583 (Style Bright) by requiring a disclaimer of the word "style" apart from the marks as shown in said registrations;

2. That counterclaimant have from counterdefendant its damages and an accounting of counterdefendant's profits derived from the acts complained of herein;

3. That counterclaimant have its reasonable disbursements and attorneys' fees herein and its costs;

4. That counterclaimant have such other and further relief as the court deems just and equitable.

COUNT II

As a second cause of action, Alberto-Culver Company alleges:

12.* Counterclaimant, Alberto-Culver Company, realleges and incorporates by this reference Paragraphs 1, 2 and 4 through 8 of Count I of this counterclaim.

13. This action is for damages and for injunctive relief under the following provisions of the Federal Antitrust Laws: Sections 1 and 2 of the Act of Congress of July 2, 1890, 26 Stat. 209 as

* The following paragraphs have been renumbered to correct a typographical error.

amended, commonly known as the Sherman Act (15 U. S. C. Sections 1 and 2), and Sections 3, 4 and 16 of the Clayton Act, 38 Stat. 731, 737 (15 U. S. C. Sections 14, 15 and 26).

14. Counterclaimant realleges and incorporates by this reference paragraphs 29 through 32 of defendants' third affirmative defense in its amended answer to the complaint.

15. As a consequence of said unlawful acts, conspiracies and attempts to monopolize, counterclaimant has been and will be forced to expend large sums of money and to use the time of its officers and employees to defend against the infringement claims asserted by counterdefendant herein.

WHEREFORE, counterclaimant, Alberto-Culver Company, prays:

a. For a judgment against counterdefendant for treble the amount of damages sustained by counterclaimant as the proximate result of said acts of counterdefendant including costs and reasonable attorneys' fees incurred by defendants in the defense of counterdefendant's infringement action and prosecution of this counterclaim.

b. For an injunction enjoining counterfendant and anyone in privity with it from engaging in the aforesaid unlawful acts and conspiracy.

COUNT III

As a third cause of action, Capitol Packing Co., alleges:

16. Counterclaimant, Capitol Packaging Co., is a wholly-owned subsidiary of counterclaimant Alberto-Culver Company and is a corporation incorporated under the laws of the State of Illinois, with its principal place of business in Melrose Park, Illinois, and is a citizen of Illinois.

17. Counterclaimant, Capitol Packaging Co., realleges and incorporates by this reference paragraph 2 of Count I and paragraph 13 of Count II of this counterclaim.

18. Counterclaimant, Capitol Packaging Co., is and for many years has been engaged in the manufacture and sale of aerosol hair spray products for the private label aerosol hair spray trade.

19. Counterdefendant and its wholly-owned subsidiary, Beautifax, Inc. (formerly Aerosol Industries and Beautifactors of Minneapolis, Inc.), have combined and conspired to restrain, and have and are attempting to monopolize, the private label aerosol hair spray market in violation of the antitrust laws by entering into agreements with hair care businesses and other so as to require said persons to purchase their private label aerosol hair spray only from counterdefendant or its subsidiary if said persons desire to use the word "style," or any derivation thereof, as a part of any descriptive term for the product or as a part of any trade name regularly used by said persons in their hair care business.

20. There are more than 10,000 hair care businesses in the United States which used the word "style," or a derivation thereof, as part of their business name, and as a result of counterdefendant's restrictive agreements and practices, all of said persons are required either to purchase their private label aerosol hair spray from counterdefendant or be subjected to threats of litigation by counterdefendant; and counterclaimant, Capitol Packaging Co., is therefore effectively foreclosed from competing for said private label aerosol hair spray business from said customers.

21. As a result of counterdefendant's aforesaid acts, counterclaimant Capitol Packaging Co. and others are effectively foreclosed from competing for the private label business of any hair care business that desires to describe its private label aerosol hair spray with such descriptive terms as "Styling Hair Spray," "Styling Mist," "Styling Spray," "The Stylists Spray," etc.

22. As a consequence of said unlawful acts, combinations, conspiracies and attempts to monopolize:

a. Counterdefendant has excluded and foreclosed counterclaimant, Capitol Packaging Co., and others from a substantial segment of the hair care market consisting of the private label trade of those hair care businesses which use the word "Style" or some variation thereof in their business name.

b. Those hair care businesses which use the word "Style" or some variation thereof in their business name have been deprived of free and open competition in the supply of hair care products under their private labels.

WHEREFORE, counterclaimant, Capitol Packaging Co., prays:

a. For a judgment against counterdefendant for treble the amount of damages sustained by counterclaimant as the proximate result of said acts of counterdefendant including costs and reasonable attorneys' fees incurred by counterclaimant in prosecution of this counterclaim.

b. For an injunction enjoining counterdefendant and anyone in privity with it from engaging in the aforesaid unlawful acts and conspiracy.

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Dated: August 1, 1972

APPENDIX G

UNITED STATES COURT OF APPEALS
For The Ninth Circuit
Nos. 72-2491, 74-1642

REDKEN LABORATORIES, INC., *Appellee*,
v.
CLAIROL, INCORPORATED, *Appellant*.

Appeals from the United States District Court for the Central District of California.

OPINION

Before: CARTER and GOODWIN, *Circuit Judges*, and EAST,* *District Judge*.

GOODWIN, *Circuit Judge:*

The district court overturned an administrative decision by the Trademark Trial and Appeal Board of the United States Patent Office (hereinafter the Board), and held that Redken's hair-care product sold under the mark "CURL & CONDITION" was not likely to be confused with Clairol's hair-care product sold under the mark "CONDITION", and ruled that Redken's mark was entitled to registration. Clairol appeals.

We agree with the district court that the evidence did not support the Board's finding of a likelihood of confusion as to the origin of the two products in any relevant market, and affirm the denial of injunctive relief to Clairol. However, the district court's ruling that the word "condition" had not ac-

* The Honorable William G. East, United States District Judge for the District of Oregon, sitting by designation.

quired a secondary meaning was not necessary to resolve the case, and in light of the possible collateral effects of that holding, we vacate that part of the district court judgment which relates to secondary meaning.

Title 15 U.S.C. § 1071 affords both parties to a completed cancellation proceeding before the Board the option of having all further proceedings conducted as a civil action in the district court.[1] That civil action is intended to be a trial de novo. The decision of the Board, however, must be accepted as controlling on issues of fact "unless the contrary is established by testimony which in character and amount carries thorough conviction * * *." *Morgan* v. *Daniels*, 153 U.S. 120, 125 (1894). The parties may introduce additional evidence relevant to issues raised before the Board. *Hoover Co.* v. *Coe*, 325 U.S. 79, 83 (1945). They did so in this case.

The rule of *Morgan* v. *Daniels* has been applied in this circuit to trademark cases involving the likelihood of confusion and secondary meaning. *Safeway Stores, Inc.* v. *Dunnell*, 172 F.2d 649 (9th Cir.), cert. denied, 337 U.S. 907 (1949).

The record reveals that Clairol's CONDITION and Redken's CURL & CONDITION are both hair-care products sold primarily in the beauty-salon trade. At the relevant times, Clairol's hair conditioner was also sold in retail stores, while Redken's permanent-wave lotion rarely found its way into the retail market, and then only through isolated sales from beauty salons and wholesale supply houses or dealers. However, there is nothing to prevent Redken from marketing CURL & CONDITION in the future through the same retail channels used by Clairol for CONDITION. Redken's trademark registration is not so limited, nor would anything inherent in the product effectively prohibit retail distribution. Therefore, although both the Board and the district court defined the relevant market as the beauty salon trade, we

1. Redken initially appealed the decision of the Board to the United States Court of Customs and Patent Appeals. Clairol then elected to have all further proceedings conducted as a civil action in a district court, thus requiring Redken to file its complaint in the court below. *See* 15 U.S.C. § 1071.

will include a potential retail market in our analysis of the problem of likelihood of confusion.

Numerous factors bear upon the likelihood of confusion. These may include: similarity in sound, appearance, and meaning of the marks; the class of goods; the marketing channels; the intent of the parties; the identity of the purchasers; and the strength or weakness of the mark. *See Carter-Wallace, Inc.* v. *Proctor & Gamble Co.*, 434 F.2d 794 (9th Cir., 1970). In the present case there is no evidence that either party was not proceeding in good faith in selecting a weak (descriptive) mark to identify its beauty-salon product.

The Board stated that the products of the parties are similar hair-care supplies which are sold under similar marks and advertised by the same media and sold to beauty salon operators. Without further discussion, the Board concluded that CURL & CONDITION so resembled CONDITION as to be likely to cause confusion as to source.

Our examination of the marks in light of the additional factors set forth above and in light of the considerable evidence presented to the district court relating to these factors, leaves us, as the district court's examination left it, with a clear conviction that the Board made a mistake on the issue of confusion. The products are similar only in the sense that both can be applied to hair, as, for example, hair spray and shampoo can both be applied to hair. Here one product, Redken's, is intended for beauty-shop use in making hair curly. The other is intended for shop or home application to hair with split ends, or, in the trade, to "condition" hair. The marks themselves convey the different functions of the two products.

The record discloses at least five registrations of trademarks for hair "conditioning" products embodying the word "condition."[2] and numerous uses of the word "condition" and its

2. In addition to CONDITION by Clairol and CURL & CONDITION by Redken, the record also disclosed CONDITIONOL by Helene Curtis, Inc., CONDITION/SET by Jheri Redding, Inc., and INSTANT CONDITION AND SET by La Maur, Inc.

derivatives in the labeling and advertising of such products. The Clairol and Redken products involved in this case are substantially-priced[3] cosmetics, directed toward individual and discriminating taste. Consumers who purchase these products learn of necessity to distinguish between many products designed for application to human hair. Many use the word "condition" somewhere on the label, but few customers are likely to part with their money under a misapprehension caused by the common use of the word "condition." Given the numerous products on the market whose trademarks or labels contain the word "condition," the district judge became convinced that the average, prudent beautician or consumer would not be likely to believe that Redken's CURL & CONDITION came from the same source as Clairol's CONDITION. Having selected a common, useful, and descriptive term as a trademark, Clairol cannot expect for the word "condition" the same broad scope of protection that may be accorded to more distinctive and arbitrary marks. *Sure-Fit Products Co.* v. *Saltzson Drapery Co.*, 254 F.2d 158, 160 (C.C.P.A. 1958).

Accordingly, we agree with the district judge, whose careful analysis of the lengthy record satisfies us that the Board erroneously denied registration to Redken upon a fragile supposition that someone might be confused by the use of the word "condition" in Redken's product name. We affirm the denial of injunctive relief to Clairol, and express no opinion upon the extent to which the word "condition" may have acquired a secondary meaning. To the extent that the district court judgment passed upon the question of secondary meaning, it is vacated.

Affirmed in part; vacated in part.

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3. The record indicates that prior to and during 1970 the wholesale price to beauty salons was approximately $20 per dozen for Redken's CURL & CONDITION and $23 per dozen for Clairol's CONDITION. Each Redken unit provides one permanent wave; the size of the Clairol units is not clear.

JAMES M. CARTER, *Circuit Judge*, concurring and dissenting.

I concur in the opinion vacating the district court judgment relating to the secondary meaning of its mark "CONDITION."

I dissent from that part of the opinion affirming the district court judgment denying injunctive relief to Clairol based on the lack of a likelihood of confusion. The result is to restore Redken's mark "CURL AND CONDITION" to the secondary register.

The Board had accepted Clairol's contentions and ordered cancellation of Redken's mark. The district court overruled the Board on both the "secondary meaning" issue and the "confusion issue." Our decision affirms the district court decision as to the "confusion issue."

I think that the proposed opinion overlooks the district court's failure to abide by the rule of *Morgan* v. *Daniels*, 153 U.S. 120, 125 (1894). Furthermore, assuming *arguendo* that the *Morgan* rule was properly applied, I do not see how the district court or this court can justifiably have a clear conviction of the Board's error on the remaining issue of "confusion."

We all agree that under *Morgan* the district court was bound to accept the Board's findings of fact unless, on the basis of the evidence considered by the Board and any new evidence, the court was left with a clear conviction that the Board had erred. Judge Goodwin assumes that the district court followed this rule. (Opinion, p. 3, lines 15-25). I think the district court did not.

I will admit the district court was apparently aware of the *Morgan* rule, for the case is cited at the outset of the court's opinion below.

Yet awareness of the rule and adherence to it are obviously separate things, as the district court, by misapplying the rule, amply illustrates. Dealing with the factual issue of *confusion*, the court stated that it was *"not convinced that likelihood of confusion exists with respect to plaintiff's [Redken's] mark."*

[Emphasis added] [As to "secondary meaning" the district court likewise stated it was "simply not convinced . . ."]

Thus the district court, whether through misunderstanding of *Morgan* or inadvertence, *based its decision on its lack of conviction that the Board was right, not on a clear conviction that the Board was wrong.* Although not clearly convinced that secondary meaning had been acquired or that likelihood of confusion existed, the district court may still have been without that clear conviction to the contrary which is necessary under *Morgan.* Accordingly, I would reverse the district court's holding as to the lack of a likelihood of "confusion."

Even assuming that the district court was clearly convinced of the Board's error, I believe that such a conviction is unjustifiable and erroneous in light of the evidence in the record favorable to Clairol. I will concede that the evidence leaves some doubt on the factual issues and that the Board may have been wrong, but this very state of doubt makes it impossible justifiably to have a clear conviction.

Without rehashing the evidence here, I think it is fair to say that it is sufficiently two-sided and that the Board's expertise in evaluating such matters should be permitted the benefit of the doubt.

I would reverse the district court's judgment denying injunctive relief to Clairol on the "confusion" issue.